

STATEMENT OF SENATOR JOHN MCCAIN ON THE SITUATION IN RUSSIA

November 4, 2003

Mr. President, a creeping coup against the forces of democracy and market capitalism in Russia is threatening the foundation of the U.S.-Russia relationship and raising the specter of a new era of cold peace between Washington and Moscow. The new authoritarianism in Russia is more than a test of America's ability to defend universal values that have taken shallow root since the Soviet empire collapsed. It presents a fundamental challenge to American interests across Eurasia. The United States cannot enjoy a normal relationship, much less a partnership, with a country that increasingly appears to have more in common with its Soviet and czarist predecessors than with the modern state Vladimir Putin claims to aspire to build.

On October 25, masked Russian security agents from the FSB, the successor to the KGB, stormed Russian businessman Mikhail Khodorkovsky's private plane during a stop in Siberia. He now sits in prison awaiting trial, accused of tax evasion, fraud, forgery, and embezzlement. Russia's richest man, founder and chief executive of its most successful private company, a leader in incorporating Western principles of accounting and transparency into business practice, and a generous donor to charity, Khodorkovsky had committed what in the Kremlin's eyes is the worst crime of all: supporting the political opposition to President Putin. Such an alternative center of power could threaten the Kremlin's supreme political control.

Upon assuming power in 2000, President Putin announced a now-famous ultimatum to Russia's top business leaders, whose fortunes were made by acquiring control of Russian assets privatized at fire-sale prices in the 1990s. President Putin said to them: stay out of political life and keep your fortune, or risk it by engaging in political activity. Most of the oligarchs chose to remain quiet. Three did not. Business tycoons Boris Berezovsky and Vladimir Gusinsky were forced into exile as a result of their support for opposition political parties and free media. Mikhail Khodorkovsky actually attempted to exercise basic political freedoms guaranteed, in theory, for all Russians. He has been thrown into jail as a result.

Admittedly, Messrs. Gusinsky, Berezovsky, and Khodorkovsky may not provide to proponents of democracy and free markets in Russia the most laudable personal histories upon which to wage a resolute defense of our democratic principles. But failure to defend them would acknowledge exactly what the Kremlin cynically alleges: that they are being prosecuted because of the way they made their money. What has caused these three Russian tycoons to be singled out are their activities in support of opposition political parties and free media. In reality, a concerted campaign to clean up Russian politics and society would reach into every corner of the Kremlin and every boardroom in Russia, but that is not happening. For better or for worse, there is a consensus in Russian society that the past should remain in the past as Russia moves forward. If Russian business and government leaders are in fact going to be prosecuted for their conduct a decade ago, then perhaps the former KGB officer named Vladimir Putin who assisted Stasi leaders and Eric Honnecker in oppressing the German people should answer for his crimes.

Mikhail Khodorkovsky's arrest, like the politically motivated indictments of Berezovsky and Gusinsky, should be seen not as prosecution for financial dealings done a decade ago – which would implicate thousands of Russian businessmen and political figures – but as part of a larger contest between the forces of statist control and a liberal-oligarchic elite. Who wins will go a long way towards determining whether Russia reverts to the traditions of its czarist-imperial past or charts a new course as part of an integrating, liberal international order. The consequences of this struggle, for both the Russian people and the world, will be profound.

For the Russian people, President Putin's rule has been characterized by the dismantling of Russia's independent media, a fierce crackdown on the political opposition, and the prosecution of a bloody war against Chechnya's civilian population. The ascent of former KGB officers throughout Russia's ministries and in the Kremlin has enabled Putin to use the long arm of the state to crush internal dissent, silence opposing political voices, and subdue free media. During the First Chechen War, more Russians got their news from Vladimir Gusinsky's independent NTV than from state media. Today, there is almost no free media in Russia. Intimidation, coercion, assassination of journalists, and armed raids by the security services have put most independent media outlets out of business. Beatings and assassinations of journalists recall not the new Russia but the dark legacy of the Soviet past. Those independent media outlets that remain feel forced to practice the kind of self-censorship that characterized the Soviet Union. Today, most Russians who read newspapers or tune into television or radio hear only the voice of the Russian state – as they did under totalitarian rule.

In a land where financial support for opposition political parties comes largely from business, the arrest of Mikhail Khodorkovsky, like the indictments of Berezovsky and Gusinsky, sends a chillingly clear message to Russia's business community that their assets are safe only if they steer clear of politics. Putin himself made this same threat to the oligarchs in 2000; it is clear that his government is carrying it out, and that Khodorkovsky is the latest victim.

Political assassinations also demonstrate the risk of speaking out against state power. Earlier this year, State Duma deputy Sergei Yushenkov, who had been investigating potential connections between the 1999 Moscow apartment bombings and the start of the Second Chechen War, was killed outside his Moscow apartment. State Duma deputy Yuri Shendoshokhtin, who had been looking into the role of the FSB in the Moscow bombings as well as a scandal surrounding the involvement of FSB officers in illegal trade, was also killed in mysterious circumstances. Both crimes remain unsolved. In today's Russia – as in Soviet Russia, as in czarist Russia – the state uses its power to suppress political dissent. The arrest of Mikhail Khodorkovsky fits in a long tradition of political arrest and persecution stretching across the vast dictatorial tundra of Russian history.

Under President Putin, Russian citizens in Chechnya have suffered crimes against humanity at the hands of Russian military forces. It was during Mr. Putin's tenure as Prime Minister in 1999 that he launched the Second Chechen War following the Moscow apartment bombings. There remain credible allegations that Russia's FSB had a hand in carrying out these attacks. Mr. Putin ascended to the presidency in 2000 by pointing a finger at the Chechens for committing these crimes, launching a new military campaign in Chechnya, and riding a frenzy of public anger into office. Since then, between 10 and 20 thousand Chechen civilians have been killed and hundreds of thousands displaced by Russian

security forces. At Putin's direction, the Kremlin recently stage-managed an "election" in Chechnya that put Moscow's hand-picked candidate in power. The principal voters were Russian conscripts forced to serve in Chechnya. Moscow has made no effort to address the political grievances of a population increasingly radicalized by the brutality of Russian rule. Yes, there are Chechen terrorists, but there are many Chechens who took up arms only after the atrocities committed by Russian forces serving first under Boris Yeltsin's and then Putin's orders.

In short, Mr. President, I am worried that what we are seeing in Mr. Putin's government is a continuation of 400 years of autocratic state control, and repression. Since the end of the Cold War, many Western observers have optimistically argued that the way Russia is governed has fundamentally changed. Sadly, this appears not to be true. Whether ruled by the czars, Stalin, Brezhnev, or Putin, the Russian state has remained supreme within Russian society. It seeks fundamentally to control society, not to answer to it. The people serve the government, not the reverse. This is not the behavior of a modern European nation; it is a form of unenlightened despotism cloaked in the mantle of international respectability, which Russia derives principally from its relations with other great powers – particularly the United States.

The ascent of former KGB officers to positions of power throughout the structures of the Russian state underscores this trend. Apparently KGB veterans Igor Sechin and General Viktor Ivanov, both deputy chiefs of presidential administration in the Kremlin, masterminded the assault on Mr. Khodorkovsky. I'd like to congratulate the KGB for arresting one of the most pro-Western business figures in Russia today – someone whose personal and corporate behavior, through charitable giving and adopting Western standards of business, have brought more credit to Russia in the last three years than anything the Russian government has done. Meanwhile, the FSB has been unable to solve the murder of leading independent journalists. It has failed to bring to justice any suspects in the murder of democratic politicians. It has not been able to identify a single case of corruption inside the Russian government. Not a single Russian has been held to account for committing crimes against humanity in the Soviet Gulag. The FSB can't do any of that – but it can arrest Mikhail Khodorkovsky. What brave men they must be to kick down the doors of a private airplane and arrest an unarmed man.

The FSB's dominance in the Russian government has renewed the specter of the imperial temptation that has guided Russia's external relations for centuries. For too many of Russia's neighbors, it's like the old Beatles song: "Back in the USSR." Under President Putin, Russia has refused to comply with the terms of the Treaty on Conventional Forces in Europe. Russian troops occupy parts of Georgia and Moldova. Russia has effectively annexed the Georgian province of Abkhazia, which it has occupied for a decade. Moscow has supported attempts to overthrow neighboring governments that appear too independent of Russia's embrace. Russian naval forces recently attempted to assert control in the channel connecting the Sea of Azov and the Black Sea from Ukraine. Russian secret services are credibly accused of meddling in elections in Azerbaijan and Georgia. Russian agents are working to bring Ukraine further into Moscow's orbit. Russian support sustains Europe's last dictatorship in Belarus. And Moscow has attempted to cynically manipulate Latvia's Russian minority and enforced its stranglehold on energy supplies into Latvia in order to squeeze the democratic, pro-American government in Riga.

Under President Putin, Russia has pursued a policy in its “near abroad” that would create an empire of influence and submission, if not outright control. On October 9, Russian Defense Minister Sergei Ivanov declared that Russia reserves the right to intervene militarily within the Commonwealth of Independent States in order to settle disputes that cannot be resolved through negotiation. At the same press conference, President Putin declared that the pipelines in Central Asia and the Caucasus carrying oil and natural gas to the West were built by the Soviet Union, and said it is Russia’s prerogative to maintain them in order to protect its national interests, “even those parts of the system that are beyond Russia’s borders.” In the run-up to the war in Afghanistan, President Putin was given great credit for “allowing” the United States to use the military facilities and airspace of sovereign countries in Central Asia. But Russia has no more right to speak for these countries than we do. The Putin Doctrine, asserting a right to imperial intervention in Russia’s “near-abroad,” coupled with the ascendancy of the FSB, recalls a discredited Russian imperial past whose victims number in the millions. Russia’s assertion of political control over its neighbors speaks not to a modern vision of Russian reform and renewal, but appears to reflect a czarist impulse to dominate neighboring populations. It is the international dimension of rising state control at home.

The dramatic deterioration of democracy in Russia calls into question the fundamental premises of our Russia policy since 1991. American leaders must adapt U.S. policy to the realities of a Russian government that may be trending towards neo-imperialism abroad and authoritarian control at home. It is time to face unpleasant facts about Russia. Russia is moving in the wrong direction – rapidly. While the United States undertakes a necessary and comprehensive review of our policy, I believe Russia’s privileged access to critical Euro-Atlantic institutions should be suspended. This access was obtained with the understanding that President Putin was committed to free markets, the rule of law, pluralist democracy, journalistic freedom, and the lawful constraint of the intelligence and security services. These now appear to be false premises.

The Russian government is not behaving in a manner that qualifies it to belong in the club of industrialized democracies. The United States is hosting the next G-8 Summit at King Island, Georgia, in June 2004. Russia has been invited to participate and has been working its way in, but President Putin’s conduct at home and abroad has worked Russia out. Putin’s Russia should have no place at the next G-8 Summit.

Congress should not consider the repeal of the Jackson-Vanik amendment for Russia. It would be incomprehensible to consider easing a law created in response to Soviet repression when the Russian government is continuing a similar pattern of behavior. I will oppose any effort to repeal Jackson-Vanik as long as Russia is moving in the wrong direction.

To any American businesses contemplating investment in or trade with Russia, I would simply say that this is not a place where the rule of law and Western codes of conduct prevail. You invest at your peril. Many Members of Congress have heard from U.S. businessmen who have lost money in Russia due to the absence of the rule of law. The American business community should consider itself warned: the Kremlin’s recent behavior is a clear signal that your investments are not safe. I call on my own government, including the Export-Import Bank and the Overseas Private Investment Corporation, to cease all guarantees of investment in Russia due to the unacceptable risk of state interference and

expropriation, as demonstrated by the Russian government's actions. American taxpayer dollars should not be used to subsidize U.S. investment in Russia as long as the rule of the FSB prevails over the rule of law.

Clearly, in personal meetings, the President of Russia attempts to reassure the President of the United States that he is a fellow democrat. An accumulation of evidence forces me to draw the opposite conclusion. I hope I am wrong, but I am increasingly concerned that in Mr. Putin's soul is the continuity of 400 years of Russian oppression. Under President Putin's leadership, Russia looks to the West for prosperity, technology, and modernity, but seems to be striving in every way to keep the values of the West out of Russia. Far from having a vision for Russia in which democracy and freedom and rule of law thrive, I fear President Putin may have a vision for Russia in which the capricious power of the police at home, and the menacing weight of subversion and intimidation abroad, guide the state. Administration policy must recognize the cold realities of Putin's Russia.

The responsibilities that follow from this are clear: it is time for a hard-headed and dispassionate reconsideration of American policy in response to the resurgence of authoritarian forces in Moscow. It is time to send a signal to President Putin's government that undemocratic behavior will exclude Russia from the company of Western democracies. The wholesale suppression of free media and political opposition cannot be ignored. American policy must reflect the sobering conclusion that a Russian government which does not share our most basic values cannot be a friend or partner and risks defining itself, through its own behavior, as an adversary.